

FISCAL NOTE

HB 2947 - SB 3003

February 22, 2002

SUMMARY OF BILL:

- Prohibits the government from starting or carrying on any activity to provide or offer electronic commerce services to the public or expand similar services at government expense or provision if the private sector provides such services to the public.
- Would not prohibit the government from providing electronic commerce services to the public where the private sector does not provide such services.
- Defines "electronic commerce service" as information technology-based services provided by the private sector to the general public, including the buying of goods and services on the Internet.
- Allows a government agency to provide duplicative or competing electronic commerce services to the general public as long as the head of the agency provides public notice and gives the public an opportunity to comment.
 - Requires the agency to show why providing these services is necessary and in the public interest.
 - The public notice must contain the following:
 - (1) The initial and total lifecycle costs of the proposed government services including all technology, infrastructure, services, contracts, and direct and indirect personal costs.
 - (2) The individual per taxpayer cost of the services each year and the annual cost of the services per user.
 - (3) The agency's reasons why the cost benefits of providing these services requires expending public funds.
 - (4) Unmet needs in the consumer marketplace that the government services would fill.
 - (5) How the proposed government services would differ from those provided by the private sector.
 - (6) An economic impact analysis showing that the proposed government electronic commerce services would not affect existing industry in an anti-competitive way and would not adversely impact the private sector marketplace for these services.
 - Once the public has commented, the head of the agency would be required to sign factual and legal conclusions as to the items in (1) through (6) above before offering duplicative or competing services.
- Allows any electronic commerce services provider residing or doing business in this state to challenge the agency's factual and legal conclusions in court.
- Allows any electronic commerce services provider residing or doing business in this state to challenge the agency's provision of electronic commerce services that are not in conformance with this bill.

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- Authorizes a government agency to offer electronic government services to the public before this bill's effective date.
- Requires an agency providing electronic services in a jurisdiction where a private enterprise provides the same electronic service to prepare and publish an annual report on its services by October 1, 2002. This report would disclose the amount, source, and cost of working capital used for the electronic services.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Exceeds \$100,000

Increase Local Govt. Expenditures - Exceeds \$100,000

Estimate assumes a significant cost to state and local governments to comply with requirements contained in section 5 of the bill. The cost to perform the detailed analysis required by the bill cannot be determined but is estimated to exceed \$100,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director